

DEPARTMENT OF WORKFORCE
DEVELOPMENT
Secretary Roberta Gassman
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
FAX: (608) 266-1784
www.dwd.state.wi.us



**State of Wisconsin
Governor Jim Doyle**

DEPARTMENT OF HEALTH AND
FAMILY SERVICES
Secretary Helene Nelson
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhfs.wisconsin.gov

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers**

**FROM: Amy Mendel-Clemens
Technical Assistance, Training and
Education Section
Bureau of Eligibility Management
Division of Health Care Financing**

BEM/DWS OPERATIONS MEMO

No: 05-54

DATE: 12/21/2005

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other EP	<input type="checkbox"/>		

PRIORITY: HIGH

**SUBJECT: NOTIFYING PARTICIPANTS OF PAYMENT REDUCTIONS AND CASE
CLOSURES**

CROSS REFERENCE: 2005 Wisconsin Act 25, s. 49.153, Stats.
Operations Memo 04-34, *Case Closures*
Operations Memo, 05-52, *Wisconsin Works Good Cause
Policy Changes*

EFFECTIVE DATE: January 2, 2006

PURPOSE

The purpose of this memo is to provide information on a change in Wisconsin Works (W-2) policy that requires W-2 agencies to notify participants before reducing payments by 20 percent or more or before terminating a participant's eligibility for W-2. This policy change is based on a provision in the state biennial budget legislation, 2005 Wisconsin Act 25.

NEW POLICY

Statutory language provided in the 2005 biennial budget instructs the W-2 agencies that before taking any action against a participant that would result in a reduction of 20 percent or more in the participant's benefits or in termination of the participant's eligibility to participate in W-2, it must do all of the following:

- (a) Provide to the participant written notice of the proposed action and of the reasons for the proposed action.
- (b) After providing written notice, explain to the participant orally in person or by phone, or make reasonable attempts to explain to the participant orally in person or by phone the proposed action and the reasons for the proposed action.
- (c) After providing notice in writing and the explanation or the attempts to provide an explanation, allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the proposed payment reduction or termination of eligibility.

The remainder of this memo provides instructions on implementing this new policy. These are considered short-term directives that can be used immediately in order to meet the intent of the law until changes can be made to the CARES system to more fully support the new policy.

NOTE➤The good cause policy introduced in Operations Memo 05-52 applies to all participants. While the participants who appear likely to have their payments reduced by 20% or more may have their cases closed due to noncooperation with program requirements must notify the FEP of good cause within seven (7) working days after an absence from a W-2 assigned activity, this new policy does give these specific participants one last chance to rectify the payment reduction or prevent the case closure. The intent behind this new policy is to ensure that participants, to whom a "significant" penalty is going to be applied, have the penalty explained and be given the opportunity to rectify before the penalty is actually applied.

IMPLEMENTING NOTIFICATION OF TWENTY PERCENT OR GREATER PAYMENT REDUCTIONS

TWENTY PERCENT REDUCTION REPORTS

In order to assist the W-2 agencies in identifying those participants that must be notified due to a 20 percent or greater payment reduction, the Division of Workforce Solutions (DWS) has developed three Web Intelligence (WEBI) reports. These reports are located in the "Monitoring Reports W-2 & FSET" folder.

The first report is the "*W-2 Cases with 20% or More Benefit Reduction –1st of the Month Report*," which runs on the 1st of each month. The second report is the "*W-2 Cases with 20% or More Benefit Reduction – 16th of the Month Report*," which runs on the 16th of each month. The third report is the "*W-2 Cases with 20% or More Benefit Reduction – At W-2 Pulldown Report*," which runs the same night as W-2 Pulldown (W2P).

The **1st of the Month** report will identify those participants who, as of the 1st of the month, appear to be on track to have their W-2 payment reduced by 20 percent or more. The **16th of the Month** report will identify those participants who, as of the 16th of the month, appear to be on track to have their W-2 payment reduced by 20 percent or more. Those individuals who

appear for the first time on the W-2 Pulldown report will have their benefits reduced. See the section below entitled *Rectifying the Deficiency, Failure or Other Behavior that Caused the Payment Reduction* for further instructions.

All three reports look exactly alike; however, there is one major difference between those reports run on the 1st and 16th and the report run at W-2 Pulldown. On the **1st and 16th of the Month** reports, the percent reduction is calculated by multiplying the sanctionable hours (Sctn Hrs) column by the minimum wage (Min Wage) column in order to get the hourly reduction (Hourly Reduction) column. That number is then divided by the gross W-2 payment (Gross W2 Payment) column.

On the **W-2 Pulldown** report, the percent reduction is calculated by multiplying the applied hours (Applied Hrs) column by the minimum wage (Min Wage) column in order to get the hourly reduction (Hourly Reduction) column. That number is then divided by the gross W-2 payment (Gross W2 Payment) column.

The reason sanctionable hours are used for the **1st and 16th of the Month** reports and applied hours for the **W-2 Pulldown** report is due to CARES screen WPMA. On WPMA, while sanctionable hours roll up as nonparticipation hours are entered, applied hours are only calculated at pulldown. For that reason, applied hours (Applied Hrs) will always be 0 on the **1st and 16th of the Month** reports.

With regard to the placement (Plcm) column, if the placement type is CMC, this may indicate that the participant's placement was changed from CMC to another paid placement type, but the worker did not run eligibility with dates. When these CMCs appear on the report, agency staff must follow-up to correct the mistake.

In order for the FEP to discuss the underlying cause of the 20 percent or greater payment reduction, the activity code (Act Cd) column shows which specific activities were missed and the Nonparticipation hours (NP Hrs) column shows how many hours were missed.

WRITTEN NOTIFICATION FOR PAYMENT REDUCTION

No later than the first working day following the first time a participant appears on the **1st or 16th of the Month** report, the W-2 agency must notify him or her of the potential 20 percent or more payment reduction and the reasons for the proposed reduction using a manual W-2 agency notice. Attached is the CARES manual letter *W-2 20% PAYMENT REDUCTION LTR* (NWSN) that the W-2 agency must generate via CARES the first working day following the first time a participant appears on the **1st or 16th of the Month** report. Once the manual letter is issued, the agency must then follow up with oral notification within five (5) working days after the mailing date of the written notification.

W-2 participants who appear on the **W-2 Pulldown** report for the first time and not on the **1st and 16th of the Month** reports, the *Wisconsin Works Payment Statement* (CARES Letter BIL1) will serve as the written notification. This letter is generated during the W-2 Benefit Issuance Pulldown Cycle (W2P), which is run in CARES the same evening as the **W-2 Pulldown** report. It notifies W-2 participants in writing of their W-2 payment amounts, minus various deductions including deductions for hours missed without good cause. Again, the agency must follow-up with oral notification within five (5) working days after the mailing date of the *Wisconsin Works Payment Statement* (CARES Letter BIL1).

ORAL NOTIFICATION FOR PAYMENT REDUCTION

Within five (5) working days after the mailing date of the W-2 manual letter or CARES Letter BIL1, the FEP must either notify or have had made reasonable attempts to notify the participant of the 20 percent or greater payment reduction and the reason(s) for the proposed reduction. The FEP may do this by one of the following methods:

- Phone calls with the participant at the participant's home, daycare provider; message phone identified on WPWI; or worksite; or
- Face-to-face visits to the participant's home, daycare provider, worksite or at the W-2 agency.

The FEP must inform the participant of the underlying cause for the 20 percent or greater payment reduction. This would include telling the participant which activities were missed. In addition the FEP must discuss with the participant the reason(s) for the nonparticipation, the opportunity to present good cause for failing to participate and informing the participant of his or her ability to appeal the agency decision, if necessary.

The FEP must document in case comments the method used for the oral notification or, if oral notification was not made, the reasonable attempts that were made. Because the statute states that "reasonable attempts" must be made, at a minimum, the FEP should make two attempts using one or both of the methods described above, e.g., a phone call to the worksite and a phone call home; two phone calls home, etc.

RECTIFYING THE DEFICIENCY, FAILURE OR OTHER BEHAVIOR THAT CAUSED THE PAYMENT REDUCTION

The W-2 agency must then allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the proposed payment reduction. There may be instances in which the participant presents good cause for failing to participate or barriers may be identified that prevented the participant from participating. For the purposes of this policy, seven (7) working days after the oral notification or after the last attempt to make oral notification is considered reasonable time to rectify the deficiency, failure or other behavior.

For those participants that appear on the **1st and 16th of the Month** reports, good cause can be entered into the CARES system in enough time to adjust the final W-2 monthly payment amount. However, for those participants appearing for the first time on the **W-2 Pulldown** report, due to the CARES benefit issuance cycle, FEPs will be unable to change the final W-2 monthly payment amount. Therefore, if the deficiency, failure or other behavior that caused the payment reduction is rectified for those participants appearing for the first time on the **W-2 Pulldown** report, the FEP must initiate a supplemental payment in order to correct the payment amount.

IMPLEMENTING NOTIFICATION OF TERMINATION OF ELIGIBILITY

The same written and oral notification is required when terminating participants' eligibility for W-2 due to noncooperation with program requirements. When a W-2 agency is terminating eligibility for reasons other than noncooperation, such as a child turning age 18, person no longer residing in Wisconsin, etc., current procedures remain appropriate. Termination of W-2 eligibility that would prompt the new written and oral notification procedures includes those

closure reasons identified in [Operations Memo 04-34](#), including failing to cooperate with child support.

It should be noted that under current W-2 policy, a W-2 case cannot be closed for noncooperation until the FEP has explored potential barriers or other factors that may be interfering with a participant's ability to cooperate. (Refer to [Operations Memo 04-34](#)). It is expected that this exploration include discussion with the participant. However, due to the precise statutory language regarding notifying participants in writing first and then orally, agencies will be required to again contact the participant the day after CARES Letter Notice of Decision CNES is generated.

WRITTEN NOTIFICATION FOR TERMINATION OF W-2 ELIGIBILITY

A CARES Notice of Decision CNES informs participants of their eligibility for all programs including W-2 and gives the reason(s) for terminating eligibility. This notice is issued no later than 10 days prior to the end of eligibility and many times well before W-2 eligibility actually ends.

ORAL NOTIFICATION FOR TERMINATION OF W-2 ELIGIBILITY

Within five (5) working days after the mailing date of the CARES Notice of Decision CNES, reporting the W-2 closure, the FEP must either notify or make reasonable attempts to notify the participant of the loss of W-2 eligibility and the reason(s) for the loss of eligibility. The FEP may do this by one of the following methods:

- Phone calls with the participant at the participant's home, daycare provider; message phone identified on WPWI; or worksite; *or*
- Face-to-face visits to the participant's home, daycare provider, worksite or at the W-2 agency.

The FEP must inform the participant of the underlying cause for loss of W-2 eligibility. This would include telling the participant which cooperation requirement(s) was not met, explaining the opportunity to present good cause for failing to cooperate and informing the participant of his or her ability to appeal the agency decision, if necessary.

The FEP must document in case comments the method used for the oral notification or, if oral notification was not made, the reasonable attempts that were made. Because the statute states that "reasonable attempts" must be made, at a minimum, the FEP should make two attempts using one or both of the methods described above, e.g., a phone call to the worksite and a phone call home; two phone calls home, etc.

RECTIFYING THE DEFICIENCY, FAILURE OR OTHER BEHAVIOR THAT CAUSED THE TERMINATION OF ELIGIBILITY

The W-2 agency must allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the case closure due to termination of W-2 eligibility. For example, there may be instances in which the participant presents good cause for failing to cooperate or barriers may be identified that prevented the participant from cooperating. For the purposes of this policy, seven (7) working days after the oral notification or after the last attempt to make oral notification is considered reasonable time to rectify the deficiency, failure or other behavior. Due to the way in which CARES ends W-2 eligibility, the FEP will be able to restore W-2 eligibility prior to the effective date identified in CARES Notice of Decision CNES.

CONTACTS

BHCE CARES Information & Problem Resolution Center

Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DWD/DWS/BW-2/MMM